

SALES MERCHANDISER

R.J. Reynolds Tobacco Co.
Sales Department / March/April 1990

Building the Best Tobacco Company in the Business

We work for smokers. We will increase our share of market by focusing our efforts on satisfying the desires of smokers better than any other company. We will fully support their freedom to smoke.

We will work hard to earn the trust and loyalty of our customers and烟民.

We will share a passion for烟民. We will not let the expense of our competitors. We will take advantage of every competitive opportunity.

Patent Pending
The strength of our company comes from each other to be creative and rewarded for our a

R.J. Reynolds
WE WORK
FOR SMOKERS

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MEMO

Judgement is key to strategy

If you're familiar with the term, "diminishing returns," you know it means getting less and less from an enterprise, even though you steadily increase the resources put into it.

This concept applies to all facets of business, but it has particular application in our business because most of us were trained to believe that more is better and that perfection is our ideal. Exclusivity was paramount in our thinking. That philosophy served us well for many years as we became the leader in cigarette merchandising.

Today, however, the price tag for exclusivity may be too high. Competition has raised the ante, with hefty bonuses and contract payments, to the point where diminishing returns is, for us, not just a textbook term, but reality.

Matching competition dollar for dollar is not in our best interest. Our focus instead is on using our resources to our best advantage in every retail call — chains as well as independents. This strategy demands that we know our marketing objectives thoroughly and that we weigh alternatives against their cost implications.

On page 10 of this issue of *Sales Merchandiser*, there is a "Volume Winners" item about how this strategy paid off with the Appletree Supermarkets chain based in Houston. This story, I believe, illustrates our new philosophy well. We don't have exclusivity in this chain, but we do have the competitive edge. Competition bought the UPMs, but we captured the prime package location at the front end.

This approach to our business doesn't apply just to merchandising; it includes displays and advertising, as well. We don't demand exclusive display placements, but we do want the primary position. We don't need to occupy every available advertising space in a call, but we do want our permanent POS to be the most prominent advertising seen by smokers.

I'm not implying that exclusivity in a



call is necessarily wrong. I know that many of you are able to secure a very favorable in-store advantage, based on your excellent relationship with the retailer and the services you provide. From that perspective, and when the cost is justified by the potential for increased business, exclusivity in a call is good judgement.

But when you're fighting toe-to-toe with competition, sometimes it's better to step back, counterpunch, evaluate the alternatives, develop a strategy and then use your selling skills to make the best possible deal for RJR.

Making strategic business decisions isn't exclusively the job of a specific hierarchy of managers. Each of you must make such decisions every day, in every call. Use your good judgement in making such decisions; your training, experience and business intuition will guide you.

Above all, don't be afraid to make a mistake. Believe in yourself, trust your judgement and you'll make good decisions that are in the best interests of the company. I'm betting on it!

A handwritten signature in black ink, appearing to read "Sam Hendrix".

Sam Hendrix
Vice President - Sales Operations

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ON THE COVER:

Reynolds Tobacco's busy schedule of test-marketing programs and line extensions this spring shows clearly the company's commitment to its corporate missions of working for smokers, leadership in innovation and a passion for winning. A story on company plans for this "growing season" for new business begins on page 4.

SHORT CALLS

Refurbishing extends life of RJR fixtures

Like old soldiers, old RJR merchandising fixtures never die — but they don't just "fade away," either.

Instead, they now can be refurbished to like-new condition at a fraction of their original cost. Then they return to the front lines in retail stores all over the country, to serve another useful lifetime of merchandising RJR cigarettes.

"The merchandiser-refurbishment program has been implemented as an integral element of our overall inventory-management system for sales materials," says Wayne Tucker, group manager — sales materials. "This program is designed to extend the useful life of our merchandising fixtures at retail and reduce capital expense," Tucker explains.

The contractor selected by Reynolds Tobacco to perform the actual refurbishing work is Phillips and Brooks Services, Inc. of Atlanta. This company was chosen because of its experience in working



When the merchandisers arrive at the refurbishing center in Atlanta, all parts are checked against original specifications and reconditioned or replaced, as needed.

with merchandisers and its reputation for the highest-quality workmanship, Tucker says.

Fixtures to be refurbished are disassembled and packed in special boxes in

the field and shipped, along with a bill of lading, to Phillips and Brooks, which carefully inspects and reconditions or replaces each component. Original design specifications and quality standards are used to ensure that every part is returned to "like new" appearance and operating condition.

Refurbished merchandisers are repacked and returned in their original boxes, and placed back in inventory as if they were new. Bills of lading and other records are kept to ensure proper credit and reallocation of the reconditioned fixtures.

Refurbishing will add an extra three to five years to the useful life of merchandisers, Tucker estimates. "And the bottom-line cost to us is about half the cost of buying new fixtures," he notes.

Full cooperation from the field is essential to make the program work, Tucker emphasizes. "Proper packing and shipping of all parts and merchandisers will make this program work more smoothly," he explains. "The packing and shipping instructions provided with each box must be followed carefully. The bill of lading, also enclosed with each box, also must be filled out correctly, to ensure that each shipment reaches the correct destination

(see 'Fixtures,' page 15)



New case is hit with reps

Sales reps across the country are giving the thumbs-up sign to the new attache case now in use in the field. "We had input from the field in the development of this important call tool," says Stan Driskell, training and development manager, shown here with one of the new cases. "It's gratifying to read the many sales comments telling us we gave our reps exactly what they needed. The most appealing feature is the professional image associated with carrying a compact and good-looking call case." The new attache case is now being used by more than 1,200 sales reps, with complete distribution scheduled by mid-year.

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Company's missions shape market plans for new brands

Spring is the season for new growth, and R.J. Reynolds Tobacco Co. is celebrating this spring with test-marketing programs and line extensions designed to grow the company's business through the 1990s and beyond.

"Our philosophy on test-marketing and line extensions is shaped by and consistent with our newly defined corporate missions: 'We work for smokers; we will be the most innovative tobacco company; and we will share a passion for winning,'" says Lynn J. Beasley, vice president - strategic marketing.

"We haven't cut back on the activities like marketing and new product development that are essential to growing a business."

— Lynn J. Beasley

"From now on, every new product we test or launch will be a product that is truly unique and innovative," Beasley explains. "Every new product will offer specific attributes that smokers want. Each new product that wins in the marketplace will do so at the expense of the competition because it does a better job of providing what the smoker wants than the competition does."

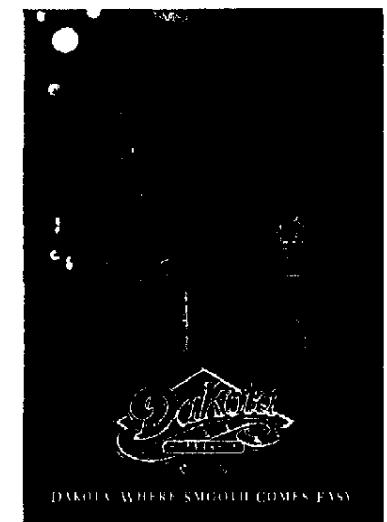
This spring's new-product lineup for RJR includes Dakota, Horizon and Salem

Gold, which are being tested in selected markets around the country; and Salem Box, a line extension that is being introduced regionally as the newest member of the Salem brand family. Each offers unique and superior attributes, to attract competitive smokers, Beasley says.

"Dakota is aimed at Marlboro smokers who would like a smoother blend and a more contemporary feel; Salem Gold is a new and different blend with rich tobacco taste and a touch of menthol to appeal to both menthol and non-menthol smokers," she explains.

"Salem box will attract competitive menthol smokers with its new, richer-tasting blend with less menthol and, of course, the box package; and Horizon offers regular or menthol flavor with a fresh aroma from the lit end and a lingering, pleasant odor."

Brands like Horizon, developed using information gathered from tests of the Chelsea brand, show the company's con-

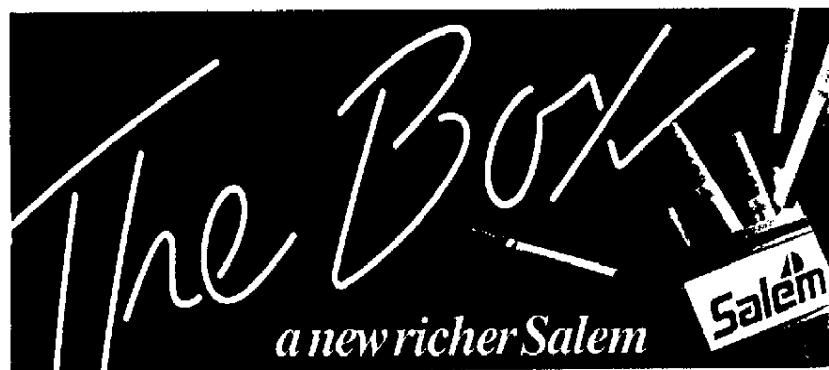


Dakota ad copy highlights the smooth taste of the new brand.

tinuing commitment to leadership in innovation — especially when it comes to "working for smokers," to deliver what they want in a cigarette, Beasley says.

"We are not afraid to innovate, to use our resources to anticipate and create business opportunities instead of just reacting to them. Then — most important — we ask smokers what they think about our products, and we listen and respond to what they say," she explains.

"That is how we make marketing and research and development work to create cigarettes that are not just new and differ-



Packaging and new, richer tobacco flavor are emphasized in advertising for Salem Box.



Advertising for Dakota is designed to appeal to the Marlboro smoker.

ent, but that also satisfy the desires of smokers better than any other company."

Of all the new products, none is aimed more squarely at the competition than Dakota, which went down the street March 12 for test marketing in Houston and Nashville, Tenn. Available in full-flavor and light king-size box styles, Dakota was designed and is being marketed with Marlboro smokers in mind, says Laura Bender, manager - new brands.

"Dakota competes directly with Marlboro, providing the kind of full, rich taste that Marlboro smokers prefer, with a smoother smoke," Bender explains. "And that's not just what we think; that's what Marlboro smokers themselves are telling us — that Dakota delivers superior flavor and smoothness." The brand's advertising states these advantages in the slogan, "Dakota. Where smooth comes easy."

Dakota's introductory newspaper advertising campaign makes no mystery of the new brand's prime prospect. One full-page ad states clearly, in giant type: "Thank you, Marlboro smokers, for helping us design

Dakota." An explanatory paragraph — also addressing Marlboro smokers — follows: "We wanted to develop a new, flavorful cigarette that's always smooth. With your help, it's finally here. Dakota. Designed with the Marlboro smoker in mind."

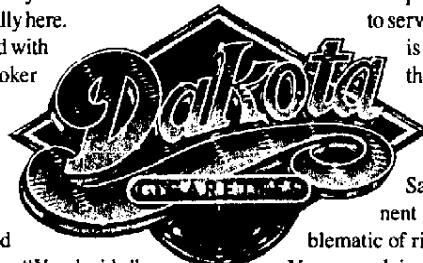
Other ads even depict Dakota and Marlboro packs side by side, and challenge smokers: "You decide." These ads begin with large-type messages "customized" for each test city, such as: "Houston is famous for making money, making chili and individuals who make up their own minds."

Other advertising features outdoor, action-oriented scenes designed to appeal to the Marlboro smoker. The contemporary-style Dakota logo also is emphasized, to promote brand recognition, Bender says. A full array of promotions, including free T-shirts and lighters, is planned, with pack sales receiving primary emphasis, she adds.

While Dakota seeks to attract competitive smokers with a new name, Salem

Gold and Salem box strive to capitalize on the tremendous equity RJR has built up in Salem — still the nation's leading menthol brand — to appeal to both menthol and non-menthol smokers with unique and distinctive points of difference, says Kevin Verner, senior brand manager.

"People who said the recent changes in the company would force us to retreat from the marketplace badly underestimated our strength and our commitment to market leadership."



The technique of using the familiar to serve the needs of the new is clearly demonstrated the packaging for the two new cigarettes, which features both the traditional Salem green and prominent gold color bars, emblematic of richer tobacco taste, Verner explains.

The cork-styled filter paper used for both new cigarettes, contrasted with the traditional white Salem filter, also symbolizes fuller tobacco flavor, he adds.

Salem Gold was introduced early last month in selected test markets in northern Ohio, Verner says. Introductory promotions emphasize package trial, with buy-one-get-one-free offers followed closely by buy-two-get-three-free events. The test marketing also is fully supported

(continued next page)

NASHVILLE IS KNOWN FOR GOLDEN HOSPITALITY, STEEL GUITARS AND INDIVIDUALS WHO MAKE UP THEIR OWN MINDS.

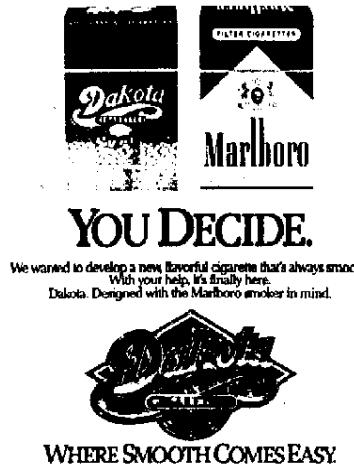
Newspaper advertising for Dakota includes full-page spreads with copy "tailored" to the test-market cities and focusing on the smoker's choice between the new brand and Marlboro.

(continued from page 5)

by extensive magazine and billboard advertising campaigns, he notes.

The Salem Box line extension also went down the street last month, with phased introductions in the North Atlantic sales area, Detroit, Chicago and other selected Midwest markets. "We are going first into high-volume box markets to gain trial and conversion among smokers of competitive box brands," says Diana Hirsch, assistant brand manager.

"Salem Box offers a new, richer blend with a balance of menthol and tobacco flavors. The advertising strongly empha-



sizes 'The Box,' along with the flavor message, 'a new, richer Salem,' Hirsch explains.

In addition to strong billboard and magazine advertising campaigns, Salem Box also will be worked by the special

Menthol Initiative marketing group, she adds. "Elements of the program include video vans, sampling, continuous monthly premium promotions and buy-one-get-one-free offers," she says.

"The Salem brand group and all the internal support groups have put together a total brand proposition for Salem Box that will definitely appeal to competitive fuller-flavor menthol smokers," says Bryan Stockdale, marketing manager - special markets. "The sales force contributed to the introductory marketing plans and is doing a great job of supporting the launch in the market."

Test marketing begins early next month in Atlanta for Horizon, which offers the characteristic of a fresh aroma from the lit end, combined with the smooth tobacco taste smokers demand.

"Chelsea test-marketing taught us why

Fold-out magazine ad for Horizon includes copy highlighting the new brand's pleasant aroma and a scratch-and-sniff spot.

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THANK YOU, MARLBORO SMOKERS, FOR HELPING US DESIGN DAKOTA.

smokers are interested in a pleasant aroma," says Ned Leary, brand manager. "First, it makes smoking enjoyable, not only for smokers but also for those around them. In addition, the aroma technology used in Chelsea and Horizon produces a lingering, pleasant odor that many smokers and others appreciate.

"These are the attributes that we will be communicating to smokers in Atlanta." Horizon will be available in regular and menthol low-'tar' 100s styles, Leary says.

"We are targeting all competitive smokers with Horizon, drawing on our experience from test-marketing the Chelsea brand," he explains. "We learned that a cigarette with those product attributes appeals to a wide

"Each new product that wins in the marketplace will do so at the expense of the competition because it does a better job of providing what the smoker wants than the competition does."

variety of smokers, and every element of the Horizon proposition is designed to attract all smokers."

Plans also include eye-catching, 3-D point-of-sale graphics, extensive advertising with free-pack coupons, buy-one-get-one-free offers and a full schedule of premium promotions. Results of the Horizon and Chelsea test-marketing campaigns will be studied to determine full-scale introduction plans for either or both, Leary says.



We wanted to develop a new, flavorful cigarette that's always smooth. With your help, it's finally here. Dakota. Designed with the Marlboro smoker in mind.



WHERE SMOOTH COMES EASY.

Beasley says Reynolds Tobacco's new-brand plans for the spring of 1990 prove one thing: "People who said the recent changes in the company would force us to retreat from the marketplace badly underestimated our strength and our commitment to market leadership.

It's no secret: This newspaper ad states bluntly that Dakota was designed with Marlboro smokers in mind and invites them to switch to the new brand.

"This spring, it should be clear that we haven't cut back on the activities like marketing and new product development that are essential to growing a business."

"We are not afraid to innovate, to use our resources to anticipate and create business opportunities instead of just reacting to them."

Beasley says, "In fact we've got more new-product activity planned for this year than any other year in our history.

"This shows our determination to go after the competition aggressively and to win in the marketplace with innovation that fulfills the smoker's needs."



Advertising for Salem Gold describes the new brand's balance of tobacco and menthol flavors with the slogan: "Max taste. Less chill."

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SINCE YOU ASKED

I have worked for RJR for 18 months and have not seen any point-of-sale advertising on Salem or Vantage. I think we should have more variety available other than Camel, Doral and Winston.

Retail point-of-sale advertising is focused on the priority brands as determined by our work plans. Camel and Magna are priority brands in package outlets. Salem, on the other hand, is the priority brand in our Menthol Initiative program. Both Salem and Vantage have point-of-sale advertising for carton outlets in areas where we have identified the greatest potential for future growth. Targeting our point-of-sale advertising to specific retail objectives makes better sense because we get the most use of our resources.

In order to ensure product freshness at retail, we need some kind of coding system on the packs. With more and more sales by the pack, coding of the packs is imperative.

This is a frequent comment, but there are as many potential disadvantages to coding packages as there are advantages. Such a system would affect stock rotation, returned goods and the cost to manufacturing. We are studying this issue carefully and evaluating the pros and cons of package coding.

The status of our continuous package promotion unit seems to be in limbo. We need to redefine its status, procedures, requirements and goals. We are controlling primary display space in calls with little knowledge of their purpose or our objectives for the future of these units.

This year we have altered our strategy from continuous promotions to "flighted" periodic monthly promotions, to cover more retail accounts with the same resources. We have developed a three-pack "clamshell" to display multi-pack offers in our continuous package outlets, which will help ensure the productivity of our displays without a specific promotional item.

When the sales force has too many programs to work at the same time, it seems that none of the programs is worked as thoroughly as the people who make the plan would like.

The company is seeking aggressively to win new smokers through a variety of promotional activities that gain competitive trial of our products. The home office works closely with your sales area vice president to achieve a workable plan that is ambitious but not overwhelming for the sales force.

We have taken the Consumer Mission, a simple idea, and made it complicated. We gear our promotions to younger-adult smokers and then pro-

mote brands other than Camel and Magna. We should promote only the brands in the PCD. This would reinforce the message, not confuse the consumer.

Simply stated, the Consumer Mission program is intended to seek out competitive smokers and convert them to an RJR brand. Camel and Magna, we believe, should be the emphasis brands in pack-action outlets because they offer the best opportunity to convert Marlboro smokers. A mix of alternative brands also is included in the program to broaden the range of prospective new smokers for our products. Limiting the Consumer Mission brands to only those displayed in the PCD would restrict our ability to reach as many competitive smokers as possible.

Our videotape promotions are beginning to lose their appeal to smokers. We need to vary the premiums placed on cartons this year if we want to generate product movement and consumer trial.

The March basketball video promotion was the last videotape promotion for 1990.

In order to save money and redirect resources elsewhere, I feel we could discontinue temporary display payments on package promotions and still maintain a strong retail presence due to the high quality of our premiums.

Your logic is sound, particularly in view of our direct accounts' participation in the Performance/Distribution category of our Winners Program and our aggressive retail promotions, which are very attractive to retailers. We are evaluating the merits of paying for temporary displays.



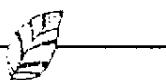
Coupons for the Consumer Mission need to be made small enough to fit into a shirt pocket. They would be much easier to use.

We agree. Consumer Mission coupons will be redesigned to a 3-1/2" x 5" format, which is the smallest size allowed by postal regulations.



We should re-evaluate the freight lines we are using to transport fixtures and supplies. There have been several instances recently where they have not been reliable.

Reliability of service is one of the most important requirements of the carriers we select. If there is a problem with any carrier, the incident should be reported to Winston-Salem through division management.



With our new attitude toward cost-use benefits, I wonder if it is still necessary to pay vendors, since vending sales are very slow. Is it cost-justified to pay for eight or more placements when a machine may not sell five cartons per week?

The contract money we pay a vendor is returned to us in sales in about three weeks. A machine selling 50 packs per week could generate as much as \$840 per year in dollar volume. Our share of that volume multiplied by the total number of vending machines placed nationally amounts to millions of dollars in gross sales and profits for RJR.



Since the implementation of the CSR program, I find I have more time to get back to high-volume independents to sell additional promotions and to keep an edge on competition.

That's exactly the purpose of the CSR program — to give our sales representatives more selling time.



I read in the "Since You Asked" column in the January/February edition of *Sales Merchandiser* that we are going to mini-vans for sales reps. I am having problems carrying everything I need in a full-size van.

While the mini-van does not have the storage capacity of a full-size van, we have designed the interior to take advantage of every square inch of space and provided the option of maximum capacity by removing the back passenger seat. This should greatly help our sales reps in the organization of cigarette stock and sales materials. Besides the reduction in cost associated with the downsizing to mini-vans, we also anticipate fewer accidents. Safety is an important consideration.

We need metal spring-load slides and glides because the plastic components break constantly and require a lot of time to repair.

New metal shelf slides will be available in June, 1990.



I was very upset in reading the "Since You Asked" column in the January/February edition of *Sales Merchandiser*. The author is not investigating what is behind the question about the new 2400 modem. My 2400 modem is hooked up according to the instructions and it still interrupts every phone in the house.

There are two problems commonly encountered with the 2400 modem. The first is terminating voice communication when the modem dials the host computer in Winston-Salem. This happens when the modem is not installed properly, as we discussed in the last column. The problem you describe is "over-dialing," or actually hearing the modem dial when it makes a scheduled call while you are using the phone. The modem in this case is operating as it was designed, though the over-dialing you hear is a source of annoyance. There are some possible solutions to this problem and we will attempt to correct it.

VOLUME WINNERS

New strategy is a winner in store chain

After a 16-week test, Appletree Supermarkets, a 98-store chain based in Houston, has accepted RJR's express checklane program for all stores.

"It was matter of strategy," says Jim Brown, East Houston chain accounts manager. "We knew what we wanted in this important chain and we worked out a strategy to get it."

RJR package fixtures were removed from the chain after Philip Morris came forward with hefty bonus monies tied to their universal package merchandisers. RJR countered with a proposal to install express checklane units with promotional toppers. Positive sales results from a test of the units convinced Appletree management to include RJR in their package-merchandising plans.

"Now, Philip Morris has the UPMs, but we have the prime position to showcase our promotions and select packs through the spring-load system," Brown explains. "We're paying less per month on our express checklane unit compared to what we would pay if we had the UPMs," he notes. "We also have a better opportunity to gain package trial of our brands at the front end. Looking at all the alternatives, we got the best deal for our money."



Sound strategic judgment won key front-end package-merchandising position for RJR in the Houston-based Appletree grocery chain.

Implementing the test and preparing the presentation to Appletree took the combined effort of Brown; Tom Sullivan, area manager - national accounts; and Houston Regional Manager Mike Sturm, plus key support from home office personnel. "Walt Whiteman in merchandising and Bill Doten in marketing development did an outstanding job for us," Brown says. "It was truly a team effort."

"The environment out here is different today," Sturm says. "You have to look at your options in light of our marketing objectives. Our success at Appletree shows that we can be selective in our merchandising strategy and still have a competitive advantage."

Long journey pays off for Clark

Out West, the road to success can be a long one for RJR sales people. Divisions and even individual assignments can be as big as some states, with small populations spread thinly over wide, open, empty spaces.

Even in the Las Vegas division, effective coverage is no gamble; successful sellers make their own luck with careful planning, tireless traveling and hard work.

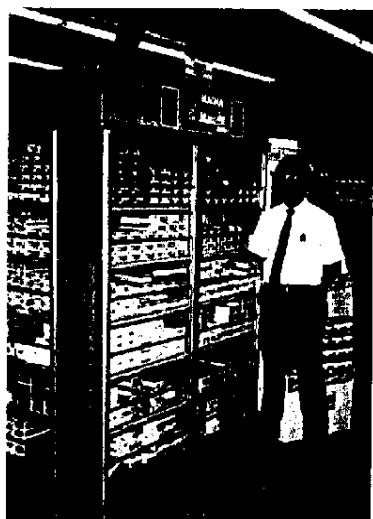
For example, Las Vegas Assistant Division Manager Steve Clark recently hit the road to introduce the Best Value brand throughout the division. In just one week, Clark covered 1,600 miles and sold Best Value to a local nine-store chain and to nine independent Indian Store locations. Initial orders totaled 16 cases. Clark expects substantial sales by the Indian Stores, which are especially price-sensitive.

Persistence gets RJR back into market

Three years ago, Superior Market in Bloomfield, Ky., decided to accept Philip Morris bonus payments and replace their RJR fixtures with PM units. RJR continued to make presentations, while PM updated the store with a seven-shelf System 2000.

But lack of follow-up after this installation — and hard work and persistence by Special Accounts Manager T.W. Martel and Area Sales Representative B.D. O'Daniel of the Louisville, Ky. division — cleared the way for an RJR comeback.

The store accepted a Flex end-cap unit for full-price cartons and a spring-load wrap unit for packs, savings-segment cartons and tobacco. RJR facings increased from 77 to 122. Martel and O'Daniel report that store management likes the low profile, brand capacity and overall appearance of the RJR units, while RJR enjoys returning to its position of merchandising leadership in the store.



Area Sales Representative B.D. O'Daniel won Superior Market back to RJR merchandising with hard work and persistence.

VOLUME WINNERS

Lively displays spark sales



West Detroit reps combined a sports video promotion with creative displays for a holiday business boost. Area Sales Representative Monica Sharpe used gift-wrapped packages in this call . . .

Smart sellers know that a good promotion moves product even better when it is combined with a creative display. West Detroit reps "walked an extra mile" during the past Christmas season to create imaginative, holiday-themed mass displays to capitalize on the popular "Great Sports Moments of the '80s" video multi-brand promotion.

Displays built by Area Sales Representatives Monica Sharpe, T.R. Savola, A.R. Miller and others featured Santa Clauses, sleighs, Christmas trees, gift-wrapped packages and other holiday themes, maximizing customer interest in the video offer, reports West Detroit Division Manager J.J. Ellegate. "The entire division did an outstanding job building eye-catching, business-building displays for this promotion," Ellegate says. "I look forward to seeing their results with the next promotion of this type."



. . . and teddy bears, Santa Claus dolls and well-stuffed Christmas stockings in another store to create a festive atmosphere and draw smokers' attention to the video and her displays.

Doral blitz blankets eastern Pennsylvania

Eastern Pennsylvania is RJR territory for savings brands, thanks to the efforts of the successful sellers in the Reading, Pa., division.

Under the leadership of Reading Training and Development Manager Steve Miller, a Doral mass-display blitz was planned and executed by Area Sales Representatives Rick Givens, George Miscavage, Cynthia Page and Jim Zink. Doral self-service floor displays of at least 240 cartons were placed in selected, high-volume locations and maintained for a month. Rapid product movement was maintained with \$2-off, on-carton coupons.

The results: substantial incremental volume for Doral, strengthening its position of leadership as the top-selling savings-segment brand in Eastern Pennsylvania.

Meanwhile, Scranton, Pa., was the scene of a savings-center showdown be-



Floor displays of at least 240 cartons were placed in selected, high-volume locations and maintained for a month.

tween the competitive cowboy and Area Sales Representative Stam Carey of the Reading division. Philip Morris blazed away with a barrage of merchandising presentations, trying to bag Giant Supermarkets. This key, high-volume, seven-store chain is a tempting target, with average cigarette sales of 600 cartons per week.

But the experienced Carey knows that accuracy — presenting the account with a proven, volume-building merchandising program that meets its needs — is what scores in a sales shootout. Carey hit the mark with a savings-center consolidation program using RJR Flex units in all seven Giant locations. Doral gained 70 display rows and 520 cartons of inventory with the chain, while PM lost seven Cambridge displays and 77 Cambridge rows.

VOLUME WINNERS

Reps show creative skills



Omaha, Neb., sales reps used a variety of materials and display configurations for a recent Doral promotion, including mass carton displays . . .

The definition of "art" might have to be stretched a bit to include an RJR merchandiser or display. Yet there is no question that sales reps display skill, creativity and talent when they execute sales plans effectively.

For example, Omaha, Neb., Division Manager E.J. Twohig reports outstanding results from a recent special, month-long Doral heavy-up promotion. With display, inventory and sales up substantially, Doral is strengthening its position of leadership as the savings brand of the "heartland," Twohig says.

But he adds that he is especially impressed "by the creativity being used by these sales reps in order to give Doral a competitive edge in the marketplace." Using every type of temporary and permanent fixture, from dump-bins to floor-bases to Flex, the Omaha merchandising "artists" executed the promotion in the most effective way possible at each location. The results are the kind of sales and profit figures that you don't have to be an art lover to enjoy, Twohig notes.



. . . and combined carton and package displays, with on-carton couponing and special pack prices to ensure rapid product movement.

Sales growing with Ohio chain

RJR brand sales are growing fast around Columbus, Ohio, and promise to grow even more rapidly in the future, thanks to the selling skill and determination of Columbus division Special Accounts Manager Brian F. Coleman. Coleman has hitched RJR merchandising to one of the fastest-growing grocery chains in the Columbus area — and, best of all, he has ensured that the competitive cowboy will not be along for the ride.

Coleman recently sold the Pick 'n' Save chain on exclusive RJR fixture programs for carton, package and savings-center sales. The RJR units replace Philip Morris carton, pack and savings fixtures in all stores.

RJR brands already are enjoying a 34.8 percent increase in the five-store chain. But the future looks even brighter for RJR volume with six new Pick 'n' Save stores scheduled to open in 1990 alone.

Stores accept presence plan

RJR's preferred-presence programs have proven popular with retailers because they are good not only for RJR's business, but good for the retailer's business, as well. Starting with that simple fact, Philadelphia Chain Accounts Manager J.A. Morris built success into a winning sales strategy.

When Morris set out over a year ago to sell the convenience-store preferred-presence program to PennSupreme, a 61-store chain with average cigarette sales of 190 cartons per week, he decided on a phased approach. He began by testing the program in the chain's 10 highest-volume stores and gradually expanded the program as it generated sales increases in additional groups of stores, eventually placing the program at every location.

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VOLUME WINNERS



RJR supplied signs and impact pieces for Ohio horse show.

Rep places impact pieces at horse show

It was an equestrian event, but RJR — not the Philip Morris cowboy — provided the cigarette merchandising at the recent annual Quarter Horse Congress in Columbus, Ohio. In fact, RJR enjoyed exclusive placement of impact and point-of-sale at the event, thanks to the aggressive selling and hard work of Sales Representative **Matthew F. DePiero** of the Columbus division.

DePiero placed a Winston 3-D sign, two metal signs, two "Winston Sold Here" signs, 16 paper POS pieces and five Winston clocks, and provided exclusive POS for eight vending machines. Promotional premium sales included 200 Magna sunglasses, 100 Magna flashlights, 450 Sports Follies tapes, 450 Camel blank tapes, 90 Super Bowl tapes, one Magna 40-pack display and 100 lighters.

RJR fixtures stage comeback

Putting RJR merchandising into a store feels good; putting RJR merchandising *back* into a store feels even better. Consider this "comeback" story from Louisville, Ky., Division Manager **Bob Setser**:

The cowboy rode into Gateway Supermarket in Jeffersonville, Ind., two years ago. He left behind a PM System 2000 carton fixture and a nine-sided centralized unit for pack sales. PM seemed to be firmly in control.

But persistent RJR sales presentations and changing market conditions that PM neglected — including RJR leadership in the savings segment — combined to reopen the door at Gateway for Sales Representative **S.B. Rife**. Rife replaced the PM fixtures with RJR Flex and spring-load units, increasing RJR carton facings from 78 to 158 and package facings from 225 to 330. Savings brand inventory increased from 297 to 512 cartons.



Sales Representative **S.B. Rife** persevered, and returned RJR fixtures to Gateway Supermarket.

Total teamwork wins at Osco

Total teamwork, with RJR fixtures and sales people working effectively together, is winning the cigarette merchandising war in Osco Drug Stores, a key, high-volume, 28-store chain in the Phoenix area.

In spite of strong Philip Morris presentations, RJR sold Osco Drug on spring-load package fixtures, in conjunction with the Doral Savings Center combination program, says Phoenix Division Manager **M.L. Paulson**. Phoenix reps have been teaming up the spring-load units with Doral carton sections, moving Doral from non-self-service to self-service sales and greatly increasing Doral inventory and display throughout the Osco chain. In some locations, a bin has been added atop the spring-load unit, creating a prime location for package promotions.

Teamwork also means that each rep plays a key role in selling the Osco locations in his or her assignment. Accounting for most of the fixture placements were Area Sales Representatives **K.D. Stahlman, T.R. Burns, T.A. Kellerman, H.B. Ray and R.A. Lopez**. In addition, Special Accounts Manager **W.V. Nygaard** and Special Resource Manager **J. Siders** helped develop presentation formats and assisted with presentations, rounding out the total, division-wide team effort.

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PROMOTIONS & APPOINTMENTS



C.A. Coyle has been promoted to group manager, sales employment practices in the home office.

Coyle joined the company in 1976 as a sales representative in the Camden, N.J., division and was promoted to area sales representative in the South Jersey, N.J., division in 1978. She was named area manager - merchandising in the Philadelphia chain division later that year. Coyle was promoted to assistant division manager in the North Atlanta division in 1979 and to division manager in the Baltimore division in 1982. She was promoted to sales training manager in the home office in 1983 and was named sales planning manager in 1985. Coyle was named training and development and vending/military manager in the South Atlantic sales area in 1987 and was promoted to assistant regional manager in the Winston-Salem region later that year. She returned to the home office as national manager - merchandising in 1988.



B.K. Stockdale has been promoted to marketing manager - special markets in the home office marketing department.

Stockdale joined the company in 1979 as a sales representative in the West Cleveland division, where he was promoted to area sales representative the following year. He was promoted to merchandising manager - field in the Cleveland chain division in 1983, and to assistant division manager in the Akron, Ohio, division later that year. Stockdale was promoted to division manager in the West Detroit division in 1986. He was promoted to sales planning manager in the home office in 1987.

Trader promoted to director

T.W. Trader has been promoted to director - trade relations in the home office.

Trader joined the company in 1973 as a sales representative in the Richmond, Va., division, where he was promoted to area sales representative the following year. He was promoted to assistant division manager in the Alexandria, Va., division in 1977 and to division manager in the Knoxville, Tenn., division in 1979. In 1981 he was promoted to chain accounts manager in the Orlando, Fla., chain division and to training and development and vending/military manager in the South Atlantic sales area in 1985. Trader was promoted to national manager, trade relations in 1988.



T.W. Trader



H.J. Heintz III has been promoted to senior chain accounts manager in the San Antonio, Texas, chain division.

Heintz joined the company in 1973 as a sales representative in the New Orleans division, where he was promoted to area sales representative the following year. He was promoted in 1976 to assistant division manager in the Shreveport, La., division and to division manager in 1980 in the Hattiesburg, Miss., division. Heintz was promoted to chain accounts manager in the San Antonio chain division in 1986.

sistant division manager in the East Chicago division in 1985. He was named training and development manager in the same division in 1986. In 1987 he was promoted to division manager in the Evansville, Ind., division.



K.W. Hayner Jr. has been promoted to chain accounts manager in the Omaha, Neb., chain division. Hayner joined the company in 1977 as a sales representative in the Salt Lake City division, where

he was promoted to area sales representative the following year. He transferred to the South Denver division in 1981 and was promoted to assistant division manager in the Wichita, Kan., division in 1984. He was promoted to division manager in the Kansas City, Kan. division in 1986.



J.D. Boehm has been promoted to chain accounts manager in the Milwaukee chain division.

Boehm joined the company in 1981 as a sales representative in the Central Chicago division, where he was promoted to area sales representative the following year. He was promoted to vending sales manager - field in 1983 and to as-

PROMOTIONS & APPOINTMENTS



M.F. Washburn has been promoted to chain accounts manager in the Ft. Smith, Ark., chain division.

Washburn joined the company in 1977 as a sales representative in the Charlotte, N.C., division, where he was promoted to area sales representative the following year. In 1979, Washburn became area manager - vending in the Raleigh, N.C., division and was promoted to assistant division manager in the Nashville, Tenn., division in 1982. Washburn was promoted to division manager in the Fort Worth, Texas, division in 1985.



W.J. Duffy Jr. has been promoted to division manager in the Evansville, Ind., division. He was training and development manager in the Green Bay, Wis., division.



M.J. Purviance has been promoted to division manager in the Indianapolis division. He was training and development manager in the Kansas City, Mo., division.



M.L. Buckler has been promoted to area manager, personnel/administration in the Mid-Continent sales area.

Buckler joined the company in 1983 as a sales representative in the East Houston division, where he was promoted to area sales representative the following year. In 1986 he was promoted to assistant division manager in the Austin, Texas, division, and to division manager in the Nashville, Tenn., division in 1988.

To senior transportation analyst - traffic and distribution: **Rebecca P. Badgett**.

To claims analyst - traffic and distribution: **Gary E. Parrish**.

To associate transportation analyst - traffic and distribution: **Kay H. Long**.

To division special accounts manager: **Virginia A. Groom**, Grand Rapids, Mich., division; **Phillip D. Hayes**, Cincinnati division; **William R. McCloskey**, Central Chicago division.

To division special resource manager: **M.T. Sweeney**, Portland, Ore., division.

To division training and development manager: **Glenn J. Ballenger**, Indianapolis division; **Colin M. Uffindell**, Cincinnati division; **Catherine J. Pedota**, South Atlanta division; **Paul D. Pikowitz**, Central Chicago division; **Tandy H. Franklin**, East Chicago division.

To secretary, field sales: **Stephanie D. Berkley**, Washington region; **Susan E. Cudmore**, North Boston division; **Nancy L. Young**, Washington division.



T.J. Sullivan has been promoted to area manager, national accounts in the Mid-Continent sales area.

Sullivan joined the company in 1979 as a sales representative in the Chattanooga, Tenn., division, where he was promoted to area sales representative the following year. He was promoted to assistant division manager of the Columbia, S.C., division in 1983. Sullivan was promoted to division manager of the Athens, Ga., division in 1986.

Fixtures

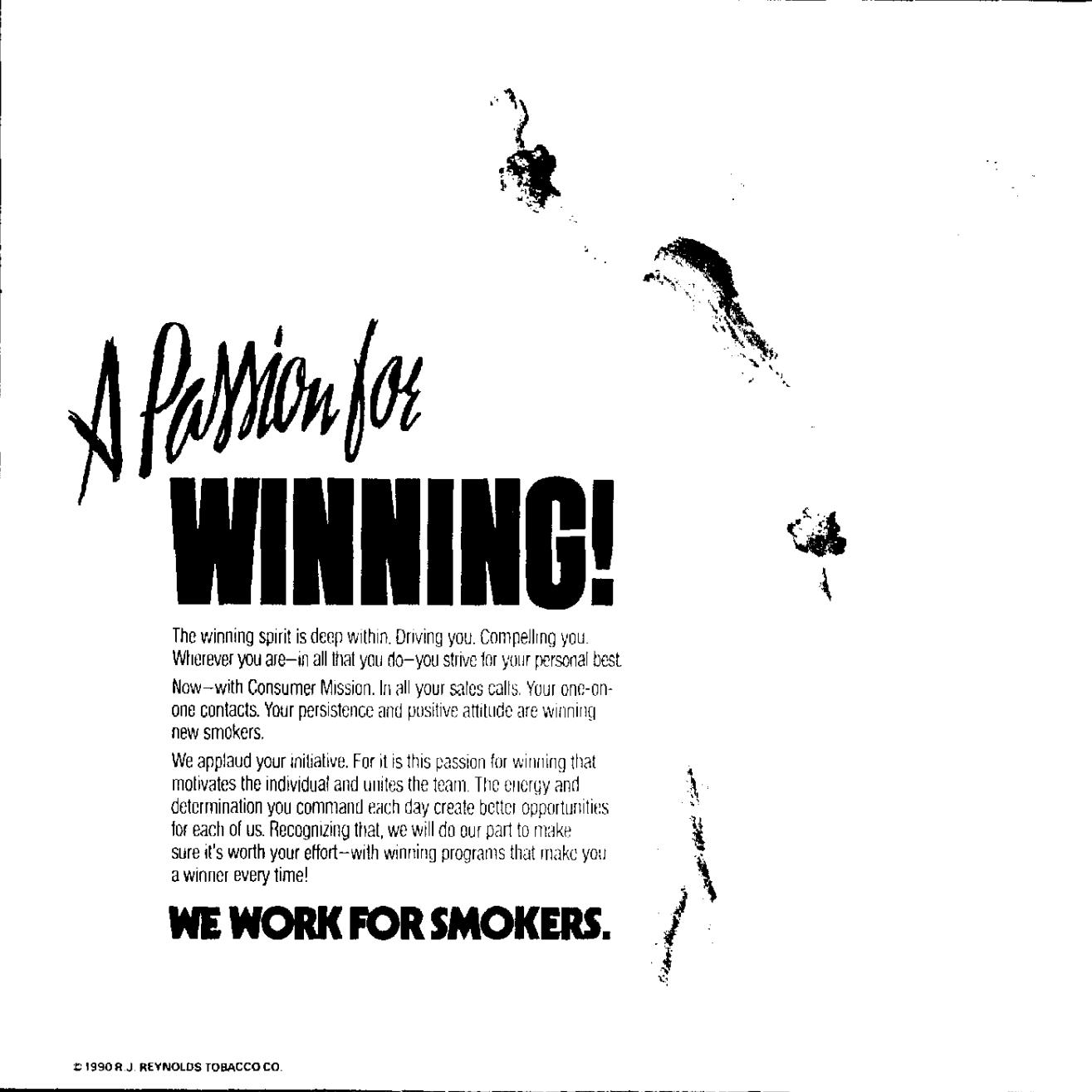
(continued from page 3)

via the proper truck line."

The refurbishing program is now being offered in about half the divisions. The pace of nationwide expansion will depend on the level of response from the field and the time required for refurbishment and shipping, Tucker says.

"As we expand the program, we anticipate a tremendous response," Tucker says. "This is an excellent program that will help us get optimum use out of our merchandising resources. With the cooperation of the field, I am confident that the outstanding potential of this program will be realized."

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Group Manager —

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